



Prepared Statement
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Hearing to Review Fruit and Vegetable Policy

Committee on Agriculture
Subcommittee on Livestock and Horticulture
United States House of Representatives

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Introduction

Good morning Mr. Chairman and Members of the Committee, my name is Maureen Torrey Marshall and I currently serve as Vice President of Torrey Farms. Torrey Farms is a family-farm operation that specializes in the fresh marketing and processing of vegetables and grains, and since 1996 includes two dairy operations located in Niagara, Genesee, Orleans, and Yates counties in New York State. As a current member and Chairman of the United Fresh Fruit & Vegetable Association's Education and Research Foundation (United), I appreciate the opportunity to testify on behalf of United before the Committee regarding the future direction of farm policy and its impact on the fruit and vegetable industry. As you are well aware, United is the national trade organization that represents the interests of growers, shippers, processors, brokers, wholesalers and distributors of produce, working together with their customers at the retail and foodservice level and every step in the distribution chain. I also come before the Committee today as an 11th generation family farmer who is extremely concerned about the state of the produce industry and what role Congress and the Administration will play in shaping policy for fruit and vegetable growers across the United States.

Industry Overview

Over the years, the produce industry has gone through tremendous changes in an effort to remain profitable, satisfy consumer demands, adapt to new technology, and compete in an increasingly global marketplace. Today, growers are facing the lowest returns they've seen in decades. Wholesalers and distributors are being squeezed at both ends and retailers and restaurants are facing stiffer marketplace competition than ever. Meanwhile, the consumption of commodity after commodity seems to be stagnating. For fresh produce, this market climate leads to extreme stress between market segments looking to assign blame to one another for their losses, and occasional calls for support programs that would only exacerbate the problem.

Fruit and vegetable growers produce crops that are vital to the health of Americans and represent a significant segment of American agriculture. However, because they are not considered "program crops", fruits and vegetables are often ignored when it comes to the development and implementation of U.S. farm policy. Yet, like producers of program crops, the fruit and vegetable industry faces significant challenges in the production and marketing of their commodities that must be addressed if they are to be competitive in an increasingly global marketplace.

While the rest of the U.S. economy has enjoyed unprecedented growth and success, much of agriculture, particularly the fruit and vegetable sector, is mired in a deepening crisis. Commodity prices for many produce crops are below the cost of production and increased federal regulations, such as the scheduled phase out of methyl bromide as a fumigant, is expected to result in losses of \$500 million, while impediments to international trade are stagnating the industry. Such challenges, coupled with threats from exotic pests, loss of important pesticides under the Food Quality Protection Act (FQPA), increased buyer leverage caused by retail consolidation, shortages of labor, and the produce industry's inability to get guest worker legislation enacted for the past six years are putting increasing economic pressures on industry operations both large and small.

As Congress continues to examine how our present farm policy should be reviewed and modified in this new era of global markets, it is critical that long and short-term solutions be considered that will help the U.S. agriculture industry to remain world leaders in food production and competitiveness. For the produce industry, issues surrounding pest exclusion, disaster assistance, food safety, nutrition policy, retail-trade practices, technology and research, international trade barriers and promotion, risk management tools, produce inspection activities, and the current prohibition on flex acres are all critical to the future viability of the fruit and vegetable industry.

Let me be clear. While the perishable nature of our products presents unique challenges and highly volatile markets, the industry has not relied on subsidy programs to sustain our businesses. We're not only proud of our commitment to free markets, but we also believe subsidy programs that sustain or encourage production would be a devastating blow to our industry.

Farm Bill Policy Recommendations

As you are aware, the produce industry has been working together since September through the Produce Industry's Farm Bill Working Group to identify areas where federal farm policy can do the most good. Those positions are embodied in testimony delivered to the Committee by United on May 2, 2000. We strongly encourage the Committee to embrace the produce industry's participation in these types of programs to ensure the continued viability of the U.S. fruit and vegetable industry. This blue print provides policy options to drive consumer demand for fruits and vegetables, while providing a menu options that growers can use to

strengthen their current economic condition. More importantly, we believe these recommendations also present the opportunity for Congress and the new Administration to shift the perspective of farm policy from “supply push” to an informed “demand pull” model.

I strongly state that our industry has fought through the many conflicting views and priorities of different commodities groups and regional organizations to bring you this consensus package of recommendations. The alternative, I fear, is increasing grower frustration that drives pressure on a commodity by commodity basis, triggering calls for narrow relief programs that can divide not only our own industry, but the Committee and the Congress as well. Let me briefly highlight some of the issues we have targeted in our package, and ask the Committee to consider these priority areas in more depth as you move the Farm Bill process forward.

Conservation – Ultimately, the goal of conservation and environmental programs is to achieve the greatest environmental benefit with the resources available. For the produce industry, there continues to be mounting pressures of decreased availability of crop protection tools that can be used to provide the abundant and safe food supply the consumer demands. Because of these factors, the industry should consider any available assistance that encourages producers to invest in natural resource protection measures they might not have been able to afford without such assistance. Specifically, the industry supports doubling the current funding for the Environmental Quality Incentives Program.

Nutrition Priorities – The role of increasing the investment in federal nutrition funding cannot be overstated. In turn, this investment in nutrition priorities can be utilized to increase the consumption of fresh fruits and vegetables and help Americans reach national health goals. To optimize the amount of fresh fruits and vegetables in the USDA feeding programs, we would request an \$500 million annual funding outlay for surplus purchases of produce commodities.

International Market Access – U.S. fruit and vegetable growers face significant obstacles in the development of export markets for their commodities and unique challenges due to the perishable nature of our products. Without further commitment to export market development by the federal government and commitment to reducing tariff and non-tariff barriers to trade, the U.S. produce industry will continue to lose market share to global market competitors. Specifically, enactment of legislation to increase

funding authority for the Market Access Program (MAP) by \$110 million is strongly supported by the produce industry.

Pest and Disease Exclusion Policy – Economic damages from invasive pests and disease now exceeds \$120 billion annually. The fresh produce industry supports expedited and aggressive actions by the federal government, in cooperation with the industry and stake holders at the state and local levels, to eradicate and protect the domestic market from the increasing threat of exotic pests and diseases entering the U.S. through international commercial shipments of products, as well as the importation of agricultural contraband by vacationing travelers and commercial smugglers. We call for the enactment of legislation authorizing funding and providing direct responsibility and related expanded authority for APHIS to develop an adequate emergency eradication/research fund that could be accessed to address economic and health threats posed by invasive pests and diseases as determined by the USDA Secretary. This fund would be set up as a revolving account (no-year fund) which would be capped at \$50 million. Consequently, the fund would be replenished based on fiscal-year utilization. We believe this approach will lead to stronger plant and pest disease eradication efforts, bringing a national commitment to what is now a fragmented and piecemeal approach.

Conclusion

Fruit and vegetable growers represent a vitally important segment of American agriculture and bring to market crops that are equally vital to the health of all Americans. To help farmers, the government needs to level the playing field for trade, improve the availability of risk management tools, fund research to keep the U.S. farmer the best in the world, support marketing orders, purchase of U.S. agriculture products for school lunch and nutrition programs and then just stay out of the way.

The people in our industry are an “endangered species.” Very few young people are looking to come into production agriculture, not because of the long hours or the financial risks associated with unpredictable weather, but because of the lack of pro-active support by our government and consumer. We urge the committee to take these issues, and the many other challenges facing the fruit and vegetable industry fully into consideration as you move forward in the development of farm policy. Thank you and I would be happy to answer any questions the Committee may have at this time.